



## News Release

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*For Immediate Release*

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### **Delaware Public Service Commission Holds First Interactive Forum on Delmarva Power Spending Plan**

Dover, Del.- On Thursday, September 26, 2013, the Delaware Public Service Commission (PSC) conducted the first of three interactive public comment sessions regarding its investigation into Delmarva Power and Light Company's request to spend \$397,000,000 over the next five years on infrastructure replacement and reliability projects.

Based on feedback from nine (9) participants at the meeting, there appears to be overwhelming public support for Delmarva's spending plan.

After brief presentations by the PSC staff and Delmarva Power, eight speakers with various ties to Delmarva Power spoke in favor of the plan, including several electrical contractors and equipment supply companies, Asplundh Tree Expert Company, the Delaware Emergency Management Agency and the American Red Cross of Delmarva. Gary Stockbridge, President, Delmarva Power region, who also serves as Chairman of the Board of Directors of the American Red Cross of Delmarva, spoke on behalf of the company. No one spoke in opposition of the plan, although David Stephenson of the Caesar Rodney Institute, an intervener in the case, said he is looking forward to discussing several issues as the case gets underway, including what impact new power generation in Delaware will have on the distribution system.

Neither Mr. Stockbridge nor Mr. Michael Maxwell, Vice President of Emergency Preparedness and Safety, could provide any details regarding the planned infrastructure or reliability projects when asked by moderator Ruth Ann Price of the Public Advocate's office.

Two additional public interactive discussion forums and comment sessions will be held:

DATE	TIME	LOCATION
Thursday, October 3, 2013	5:30 p.m.	Delaware Tech (DTCC) Jack F. Owens Campus, Electra Hall – William Carter Partnership Center, Rt. 18 Seashore Highway, Georgetown, DE
Wednesday, October 16, 2013	7:00 p.m.	University of Delaware - Arsht Hall – 1st Floor, Rooms 108 & 109, 2600 Pennsylvania Avenue, Wilmington, DE

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On March 22, 2013, Delmarva Power filed an application with the Delaware Public Service Commission seeking an increase in electric rates. The total revenue increase requested by Delmarva Power is \$42,044,000 or 23.8 percent over existing retail distribution rates. In addition, Delmarva Power stated that it intends to invest approximately \$397,000,000 in its distribution system over the next five years to replace infrastructure and enhance and maintain system reliability. On May 7, 2013 the Public Service Commission opened PSC Docket No. 13-152 to investigate whether Delmarva Power's proposed expenditures for infrastructure and reliability improvement are consistent with Delmarva Power customers' needs and the ability of Delmarva Power customers to pay for such an investment.

Currently a typical residential customer using 1,000 kilowatt hours of electricity per month receives a total bill of approximately \$141.23, of which only \$39.01 (28 percent) is actually related to distribution costs. If Delmarva Power was to make the proposed \$397,000,000 investment in the distribution system, the PSC staff estimates the distribution portion of an average residential customer's bill could increase almost 30 percent, or \$11.36 per month, by 2017. This is in addition to the forecasted supply cost increases that the General Assembly has mandated as part of the 2010 Renewable Energy Portfolio Standard legislation.

The Delaware PSC seeks public input regarding:

- The level of reliability that customers are currently receiving.
- The level of reliability that customers believe they require.
- The amount of money customers are willing to pay for that reliability.
- The affordability of the current rates that Delmarva customers are paying.
- The ability for customers to pay the rates that Delmarva may request if the Company makes the \$397,000,000 additional reliability investment it has suggested it will make over the next five years.

The PSC, utility customers and Delmarva Power investors all expect that the company will make investments that enable it to maintain a solid operational and financial foundation. Such investment may be prudent when equipment is nearing the end of its useful life, or if new technology would allow for improved service, or if a utility has experienced persistent reliability issues.

Delmarva Power currently provides better reliability than required by Commission rules, as measured by SAIDI – System Average Interruption Duration Index. The SAIDI measure is a composite measure of average outage frequency and average outage duration indices. Delmarva Power is required to maintain its system such that the system-wide outages do not exceed 295 minutes per customer per year. Delmarva Power has continuously met and exceeded this requirement in recent years; in fact in 2012 Delmarva Power's SAIDI was 146 minutes per customer; 51 percent lower (i.e. performed better) than the required reliability standard.

Further information regarding the investigation can be found on the Delaware Public Service Commission website ([www.depsec.delaware.gov](http://www.depsec.delaware.gov)) by referencing docket number 13-152. Written comments can also be sent to: Delaware Public Service Commission, 861 Silver Lake Blvd., Suite 100, Dover, DE 19904, Attn: Docket 13-152.

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